

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Attleboro Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: December 7, 2022

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY23 (since the amount under the prior schedule was maintained in FY23) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.25% to 7.0% and a modification to the fully generational mortality assumption.

This schedule completes the amortization of the unfunded actuarial liability (UAL) in FY37. Although this is allowable, our recommendation for the past several years has been for systems to establish funding schedules that complete the amortization of the UAL by FY35 at the latest. This allows systems some flexibility in the event of another market downturn. There are 17 systems that have amortization schedules that extend beyond FY35 and most of these complete the amortization by FY36. We believe the FY35 date would be attainable with modest adjustments to the schedule. We are available to discuss alternative ways a FY35 schedule could be accomplished.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

JWP/jfb

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ATTLEBORO RETIREMENT SYSTEM
FUNDING SCHEDULE with 3(8)(C) - 14 years: 5.86% increases
 MP-2021; 7.00% Discount Rate

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution*	% Change
2024	3,018,777	88,612,236	6,737,416	152,334	9,908,527	5.86%
2025	3,154,622	87,606,057	7,182,211	152,334	10,489,167	5.86%
2026	3,296,580	86,053,515	7,654,918	152,334	11,103,832	5.86%
2027	3,444,926	83,886,499	8,157,257	152,334	11,754,517	5.86%
2028	3,599,948	81,030,289	8,691,050	152,334	12,443,331	5.86%
2029	3,761,945	77,402,986	9,258,231	152,334	13,172,511	5.86%
2030	3,931,233	72,914,887	9,860,853	152,334	13,944,420	5.86%
2031	4,108,138	67,467,816	10,501,091	152,334	14,761,563	5.86%
2032	4,293,005	60,954,397	11,181,252	152,334	15,626,590	5.86%
2033	4,486,190	53,257,265	11,903,785	152,334	16,542,308	5.86%
2034	4,688,068	44,248,223	12,671,286	152,334	17,511,688	5.86%
2035	4,899,031	33,787,324	13,486,507	152,334	18,537,873	5.86%
2036	5,119,488	21,721,873	14,352,370	152,334	19,624,192	5.86%
2037	5,349,865	7,885,368	7,885,368	152,334	13,387,567	-31.78%
2038	5,590,609	-	-	152,334	5,742,942	-57.10%

Amortization of Unfunded Liability as of July 1, 2023

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2003	ERI	201,194	4.25%	27	466,033	6
2024	Fresh Start	N/A	N/A	14	N/A	14

* Contribution is set to be the amount resulting from a 5.86% increase on the prior year's contribution, with 5.86% increases thereafter. The contribution in FY2037 decreases by -31.78%.